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IDEA-3289-66

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3 August 1966

MEMORANDUM FOR THE RECORD

SUBJECT : U-2R

1. At the request of [] NRO Comptroller, for a briefing on the U-2R and funding for various quantity procurement options, [] and Parangosky (DD/S&T/OSA representatives) visited the Pentagon on 2 August and participated in the briefing and discussion.

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2. A brief technical and financial presentation was made by Mr. Parangosky and [] with the latter centered around []

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3. [] has scrounged about [] FY 1967 funds, which will cover procurement of about six U-2R aircraft. Further, he plans to submit a Southeast Asia DOD supplementary request for FY 1967 funds for the equivalent of four additional aircraft, or a total of ten aircraft. If successful in the foregoing (anticipated approval date of 1 April 1967 for the Southeast Asia supplementary, noted above), [] would like to have the total FY 1967 funding obligated with Lockheed actually to guarantee the procurement only of eight U-2R aircraft and LAC long lead-time items necessary for whatever total buy of U-2R's that may be approved. [] admitted that FY 1968 and subsequent fiscal years will have included, as necessary, sufficient funds to buy out the total U-2R procurement program approved by the EXCOM. [] desires to fund the procurement on an expenditure plus commitment basis. [] is constrained by limited available funds in FY 1967. He, therefore, is hoping to take the approach noted above to maximize insurance of the delivery of the designated number of aircraft ordered, (i.e., eight as noted above) in the event that an additional order is not placed. Hence, in this case the financial loss would be minimized and limited to the LAC long lead-time investment utilizing FY 1967 funds. [] queried about additional costs, apart from sensors and ECM, of improved aircraft equipment such as radios, etc. This information is being obtained.

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NRO review(s) completed.

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4. [] commented that a paper developed under Mr. Reber's auspices about the U-2R inventory and allocations between SAC, AFSC and CIA does not address itself sufficiently to the question of the requirement/justification for a U-2R buy. [] feels that unless this matter is crystallized, with appropriate options, for consideration by the EXCOM next Friday, an EXCOM decision again may not be forthcoming. [] stated that a previous EXCOM meeting a year ago, at which he advocated a 27 U-2R aircraft procurement, failed to reach a decision because of an inadequate requirement/justification. [] was told that OSA people would work on this matter, together with []

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5. Subsequent to the meeting with [] Mr. Reber and [] were told about the requirement noted in paragraph 4 above. [] stated that SAC requires a minimum of fourteen U-2R aircraft. We will get together on 3 August to coordinate a paper on CIA/Air Force U-2R procurement quantities requirements/justifications.

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6. [] asked whether Mr. Helms had yet received a U-2R briefing, similar to the one given him. The answer was negative. However, he was informed that [] would be briefed and possibly Mr. Helms prior to the next EXCOM meeting.

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JOHN PARANGOSKY
Deputy Director
of
Special Activities

John Parangosky/DD/OSA:hmj (3 Aug 66)

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